Questions / Approach for addressing input received on Charter Question #2 / Preliminary Recommendation #2 & #3 / Guidance for the Implementation Phase in relation to charter question #2

OVERARCHING QUESTION:

As a result of the input provided during the public comment period, should the CCWG reconsider its recommendation that:

Preliminary CCWG Recommendation #2: The CCWG agreed that specific objectives of new gTLD Auction Proceeds fund allocation are:
- Benefit the development, distribution, evolution and structures/projects that support the Internet's unique identifier systems;
- Benefit capacity building and underserved populations, and;
- Benefit the open and interoperable Internet24 New gTLD Auction Proceeds are expected to be allocated in a manner consistent with ICANN's mission.

Preliminary CCWG Recommendation #3: The implementation of the selected fund allocation mechanism should include safeguards described in the response to charter question 2.

Guidance for the Implementation Phase in relation to charter question #2: The CCWG recommends that the Guidance for proposal review and Selection (see Annex C) and list of example projects (see Annex D) are considered during the implementation process.

If yes, why?
If no, why not?
If it is not possible to make this determination at this stage, what input, or information would be necessary to make this determination?

Comment #3 (Anne Aikman-Scalese)	
Suggestion from Commenter	CCWG to consider whether the objectives are overly broad in light of ICANN's mission.
Leadership recommendation	
CCWG Team discussion / agreement	

Comment #4 (RySG)	
Suggestion from Commenter	CCWG to consider whether work around Universal Acceptance falls within and supports ICANN's Mission.
Leadership recommendation	• Check: whether UA efforts fall within ICANNs mission and can therefore be supported? • Question: Does a ICANN-sponsored project (using ICANN operational budget) also eligible for applying the fund with same objectives?
CCWG Team discussion / agreement	

Comment #5 (ICANN Board)	
Suggestion from Commenter	CCWG to review and potentially strengthen the language regarding use of funds in furtherance / consistent with ICANN's Mission to ensure that it is clearly understood that this is a mandatory requirement.
Leadership recommendation	• Check: "The Board encourages the Working Group to review and potentially strengthen the language regarding use of funds in furtherance/consistent with ICANN's Mission to ensure that it is clearly understood that this is a mandatory and not an aspirational requirement."
CCWG Team discussion / agreement	

Comment #6 (NCSG)	
Suggestion from Commenter	CCWG to consider specific examples of projects that could be funded in support of ICANN's mission. Furthermore, CCWG to consider encouraging increased reporting requirements of grantees.
Leadership recommendation	• Check: "we would appreciate seeing concrete examples of projects that could be supported with auction proceeds. The NCSG sees particular value in well-administered capacity building programs that are carefully aligned with the objectives and mission identified within this recommendation." • Check: in case a community driven project evaluation process is established, the following shall be taken into consideration " NCSG would like to express our support for a diverse and inclusive grant review process."

	• Check: recommendation for increased 'reporting requirements' should be setup in the next CCWG AP phase
CCWG Team discussion / agreement	

Comment #9 (BC)	
Suggestion from Commenter	CCWG to consider ICANN's existence within a larger Internet Ecosystem and to not disallow projects because they are collaborative with other entities.
Leadership recommendation	• Check: how to integrate 'regular public reporting' in the whole funding process.
CCWG Team discussion / agreement	

Response to Charter Question #2/Preliminary Recommendation #2/Preliminary Recommendation #3/ Guidance for the Implementation Phase in relation to charter question #2

#	Comment	Contributor	Type of change suggested by commenter / Possible action and/or question for CCWG	CCWG Response / Action Taken
Section Summary: Charter Question #2: As part of this framework, what will be the limitations of fund allocation, factoring in that the funds need to be used in line with ICANN's mission while at the same time recognising the diversity of communities that ICANN serves? This should include recommendations on how to assess whether the proposed use is aligned with ICANN's Mission. Furthermore consideration is expected to be given to what safeguards, if any, need to be in place. Preliminary CCWG Recommendation #2: The CCWG agreed that specific objectives of new gTLD Auction Proceeds fund allocation are: ● Benefit the development, distribution, evolution and structures/projects that support the Internet's unique identifier systems; ● Benefit capacity building and underserved populations, and; ● Benefit the open and interoperable Internet24 New gTLD Auction Proceeds are expected to be allocated in a manner consistent with ICANN's mission. Preliminary CCWG Recommendation #3: The implementation of the selected fund allocation mechanism should include safeguards described in the response to charter question 2. Guidance for the Implementation Phase in relation to charter question #2: The CCWG recommends that the Guidance for proposal review and Selection (see Annex C) and list of example projects (see Annex D) are considered during the implementation process. **Overview of Comments:** A number of comments support the objectives described in Preliminary Recommendation #2 as well as safeguards listed in Preliminary Recommendation #3. Several comments suggested refining language regarding objectives and limitations in relation to ICANN's Mission. Some comments identified potential limitations that they believe should be avoided.				
1.	**Recommendation 2:** The ALAC is supportive of Recommendation 2 as it is written, as the recommendation itself speaks to the guidelines from the preamble which	ALAC	None (supportive of recommendation 2)	<mark>Support</mark> **CCWG Response:** The CCWG appreciates the input provided and

	members and participants spent many hours writing and discussing. See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000041.html			notes the support for recommendation #2. **Action Taken:** [**COMPLETED / NOT COMPLETED**] – [Instruction of what was done.]
2.	The RrSG generally supports Preliminary CCWG Recommendation #2, but with the qualifiers addressed below regarding Preliminary CCWG Recommendation #8. See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000030.html	RrSG	None (supportive of recommendation #2, with qualifiers re. recommendation #8)	Support **CCWG Response:** The CCWG appreciates the input provided and notes the support for recommendation #2. **Action Taken: None at the moment** [**COMPLETED / NOT COMPLETED**] – [Instruction of what was done.]
3.	Recommendation # 2: The specific objectives of fund allocation are laudable, but may be overly broad in light of ICANN's Mission. Care should be taken to revise the objectives to be defined in a manner which is restricted by ICANN's Mission and these guidelines should be communicated to an independent third party selected in a bidding process to be conducted by ICANN staff to select a supremely qualified and experienced third party provider pursuant to Mechanism B. See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000035.html	Anne Aikman-Scalese	CCWG to consider whether the objectives are overly broad in light of ICANN's mission.	Support **CCWG Response:** The CCWG appreciated the input provided and is committed to ensuring that the use of new gTLD Auction Proceeds is consistent with ICANN's Mission as set out in the ICANN Bylaws. The CCWG will consider whether a second public comment period is required, following a determination whether material changes are made to the approach and options - including the objectives - set forth in the Initial Report. **Action Taken: None at the moment** [**COMPLETED / NOT COMPLETED**] – [Instruction of what was done.]

4.	**Preliminary CCWG Recommendation #2** In Recommendation #2, the CCWG recommends that the auction funds be used to "Benefit the development, distribution, evolution and structures/projects that support the Internet's unique identifier systems," to "Benefit capacity building and underserved populations," and to "Benefit the open and interoperable Internet." The CCWG, in the initial report, stated that ICANN supporting an education campaign of the various options and uses of the DNS is a "Noble Cause." However, the CCWG expressed desire to further investigate whether this use of the Auction Funds would be consistent with the ICANN Mission and Bylaws. Currently, ICANN is engaging in an effort to promote Universal Acceptance by educating developers, registrants and end users about new gTLDs, including internationalized domain names, and the interoperability of all domain names. The RySG believes that the work around Universal Acceptance falls within and supports ICANN's mission of promoting the "openness, interoperability, [and] resilience" of the Domain Name System, per Section 1.1(a)(i) of the ICANN Bylaws. See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000036.html	RySG	CCWG to consider whether work around Universal Acceptance falls within and supports ICANN's Mission. Leadership recommendation -Check: whether UA efforts fall within ICANNs mission and can therefore be supported? -Question: Does a ICANN-sponsored project (using ICANN operational budget) also eligible for applying the fund with same objectives?	Concerns **WG Response:** **Action Taken:** [COMPLETED / NOT COMPLETED] – [Instruction of what was done.]
5.	Preliminary Recommendation #2 outlines the specific objectives of the allocation. The Board encourages the Working Group to review and potentially strengthen the language regarding use of funds in furtherance/consistent with ICANN's Mission to ensure that it is clearly understood that this is a mandatory and not an aspirational requirement. This also applies to the requirement that the proceeds should not be used for ICANN operational costs (see Charter Question #10 below).	ICANN Board	CCWG to review and potentially strengthen the language regarding use of funds in furtherance / consistent with ICANN's Mission to ensure that it is clearly understood that this is a mandatory requirement. Leadership recommendation	Concerns **WG Response:** **Action Taken:** [COMPLETED / NOT COMPLETED] – [Instruction of what was done.]

	In relation to the specific objectives outlined in Recommendation #2, the Board encourages further refining of the objectives in relation to ICANN's Mission . . . . . . Charter Question #2 (Preliminary Recommendation #2) Echoing feedback for Section 4.2, Preliminary Recommendation #2 outlines the specific objectives of the allocation; however, language states that the allocation is "expected" to be consistent with the Mission. The Board would encourage the review of this particular language to ensure that this is understood to be a mandatory – and not merely aspirational – requirement. When it comes to the CCWG-AP's development of specific recommendations for how the legal and fiduciary constraints should be implemented, the eventual mechanism(s) used for evaluating grant applications (and/or administering the program) cannot be limited by the CCWG-AP's interpretation of how some of these regulatory requirements can be met. For example, the mechanism must be able to introduce proper controls even if such controls go beyond the recommended implementation steps, such as the ability to make sure that the recipient organization may properly receive funds under the regulatory framework; or referring to best practices in identifying self-dealing or private benefit concerns that are broader than what the CCWG-AP envisioned. There may also be different tests for political or lobbying activities that are more appropriate to be followed, though the CCWG-AP's recognition of these important limitations is welcomed. [staff note: text from the original comment contained between the ellipses is included elsewhere in this summary document] See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000024.html		<mark>-Check:</mark> "The Board encourages the Working Group to review and potentially strengthen the language regarding use of funds in furtherance/consistent with ICANN's Mission to ensure that it is clearly understood that this is a mandatory and not an aspirational requirement."	
6.	**Preliminary CCWG Recommendation #2**	NCSG	CCWG to consider specific examples of projects that could be funded in support of ICANN's	<mark>Concerns</mark> **WG Response:**

The NCSG broadly supports the identified objectives for the allocation of funds but would like to see specific examples of projects that the Cross-Community Working Group envisions could be funded in support of this mission. We note that the ICANN Board in its letter dated 31 January 2018 indicated that many of the projects that had at first been listed as examples are, in the opinion of the Board, "perhaps not a good use of funds." If following this and other inputs, the CCWG's thinking has evolved, we would appreciate seeing concrete examples of projects that could be supported with auction proceeds. The NCSG sees particular value in well-administered capacity building programs that are carefully aligned with the objectives and mission identified within this recommendation. Finally, we have carefully reviewed Annex C (Guidance for Proposal Review and Selection) and the NCSG would like to express our support for a diverse and inclusive grant review process. Proposals should be reviewed by multiple qualified individuals, representing different stakeholder groups and backgrounds, for example, making up a diverse, multistakeholder Grant Review Committee. Such a Committee could have access to appropriate and effective training to support its work and fill any gap in term of expertise. The NCSG agrees with the draft conclusions of the CCWG in Annex D (Example Projects). **Preliminary CCWG Recommendation #3** The NCSG supports all mentioned safeguards and encourages increased reporting requirements of grantees. . . [staff note: text from the original comment following the ellipses is included elsewhere in this summary document] See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000034.html		mission. Furthermore, CCWG to consider encouraging increased reporting requirements of grantees. ==Leadership recommendation== -==Check:== "we would appreciate seeing concrete examples of projects that could be supported with auction proceeds. The NCSG sees particular value in well-administered capacity building programs that are carefully aligned with the objectives and mission identified within this recommendation." -==Check:== in case a community driven project evaluation process is established, the following shall be taken into consideration " NCSG would like to express our support for a diverse and inclusive grant review process." -==Check==: recommendation for increased 'reporting requirements' should be setup in the next CCWG AP phase. -	**Action Taken:** [==COMPLETED / NOT COMPLETED==] – [Instruction of what was done.]

7.	**Recommendation 3:** The ALAC is supportive of this recommendation as it describes how accountable the process will be. The ALAC is in support of creating an accountable and transparent fund allocation mechanism that would include all the safeguards described in the response to charter question 2. See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000041.html	ALAC	None (supportive of recommendation #3)	<mark style="background:#00ff00">Support</mark> **CCWG Response:** The CCWG appreciates the input provided and commits to adhere to the accountability and transparency principles in all of its practices. **Action Taken:** None for the moment [<mark style="background:#ffff00">**COMPLETED / NOT COMPLETED**</mark>] – [Instruction of what was done.]
8.	The RrSG supports Preliminary CCWG Recommendations # 3, 4, 6, 9, and 10. See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000030.html	RrSG	None (supportive of recommendation #3, 4, 6, 9 and 10)	<mark style="background:#00ff00">Support</mark> **CCWG Response:** The CCWG appreciates the input provided. **Action Taken:** None for the moment [<mark style="background:#ffff00">**COMPLETED / NOT COMPLETED**</mark>] – [Instruction of what was done.]
9.	**The purpose of a grant/application must be in service of ICANN's mission and core principles** The BC believes that the guiding principles related to the Auction Proceeds should be consistent with ICANN's Mission Statement and its remit and core values. The objectives and outcomes of the projects funded under any mechanism should be consistent with ICANN's pursuit of an Internet that is stable, secure, resilient, scalable, and standards-based. The BC supports this and also notes that ICANN's existence within a larger Internet Ecosystem must be taken into account.	BC	CCWG to consider ICANN's existence within a larger Internet Ecosystem and to not disallow projects because they are collaborative with other entities. <mark style="background:#ffff00">Leadership recommendation</mark> <mark style="background:#ffff00">-Check: how to integrate 'regular public reporting' in the whole funding process.</mark>	<mark style="background:#ff9900">Concerns</mark> **CCWG Response:** **Action Taken:** [<mark style="background:#ffff00">**COMPLETED / NOT COMPLETED**</mark>] – [Instruction of what was done.]

	The BC believes that in achieving this guideline, adequate transparency and accountability regarding the investment and disbursement of funds should be accomplished through regular public reporting, regardless of what mechanism is finally selected for the distribution of the Auction Funds for projects considered within scope . . . . . . **Recommendations:** Projects should not be disallowed or not accepted because they are "collaborative" with ICANN, ISOC, RIRs, IEEE, NRIs or any other entity that meets the criteria. . . . . . We also understand that funding requests cannot be submitted by individuals, but must come from a legal entity who can accept the required accountability for performance of the proposal. We agree that safeguards will be required to ensure neutrality of all proposals submitted. [staff note: text from the original comment contained between the ellipses is included elsewhere in this summary document] See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000031.html			
10.	Recommendation #3 and # 4: Support See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000035.html	Anne Aikman-Scalese	None (supportive of recommendation #3 and 4.	<mark>Support</mark> **CCWG Response:** The CCWG appreciates the input provided. **Action Taken:** None for the moment [**COMPLETED / NOT COMPLETED**] – [Instruction of what was done.]